

Message Text

PAGE 01 STATE 244815

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ORIGIN NEA-05

INFO OCT-01 EUR-06 ISO-00 /012 R

DRAFTED BY:NEA/INS:DKUX:NEA/PAB:DCOCHRAN:EUR/SOV:PCBROWN

APPROVED BY:NEA/INS:DKUX/EUR/SOV:WHLUERS

EUR:JARMITAGE

EUR/SOV:FHMISCH

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R 142045Z DEC 73

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C O N F I D E N T I A L STATE 244815

FOLLOWING MOSCOW 15345 SENT ACTION STATE INFO BELGRADE

BERLIN BUCHAREST BUDAPEST DIA GENEVA HONG KONG LONDON NATO PARIS

PEKING PRAGUE SOFIA TAIPEI TOKYO USUN VIENNA WARSAW BONN CAIRO

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C O N F I D E N T I A L MOSCOW 15345

E.O. 11652 GDS

TAGS: PFOR, PINT, UR, US

SUBJ: YEAR-END ASSESSMENT OF SOVIET POLICY

1. SUMMARY: LOOKING TOWARD 1974, WE CONCLUDE THAT THE
RELATIONSHIP WITH THE U.S. WILL CONTINUE TO BE A
PRIMARY PREOCCUPATION OF SOVIET POLICY. THE BREZHNEV
LEADERSHIP SEEKS NOT ONLY TECHNOLOGICAL UPLIFT AT HOME
BUT ALSO A DEGREE OF U.S.-SOVIET PARTNERSHIP WHICH WILL
FURTHER SOVIET OBJECTIVES ABROAD. MOST OF THE PAY-OFF
IS STILL MORE POTENTIAL THAN REAL, HOWEVER, AND THE
BREZHNEV LEADERSHIP IN JUSTIFYING ITS POLICY HAS
CONFIDENTIAL

PAGE 02 STATE 244815

TENDED TO LEAN HEAVILY ON CITING POSSIBILITIES FOR
THE FUTURE. IT ALSO FLAUNTS THE AMERICAN CONNECTION
TO PROPAGANDIZE THE VIEW THAT THE USSR HAS ATTAINED
EQUAL STATUS AS THE OTHER SUPERPOWER. BUT SOME

ELEMENTS HERE PROBABLY WANT MORE CURRENT PROOF THAT DETENTE CAN YIELD DIVIDENDS. MIDDLE EAST EVENTS SHOW THAT WHEN FACED WITH CRITICAL SITUATIONS INVOLVING MAJOR SOVIET INTERESTS, BREZHNEV MAY TRY, EVEN AT THIS EARLY DATE AND EVEN AT SOME RISK, TO CASH IN ON HIS AMERICAN CONNECTION.

2. OTHER DEVELOPMENTS IN THE COMING YEAR MAY GIVE FRESH ARGUMENTS TO THOSE SOVIETS WHO ARGUE THAT "YOU CAN'T COUNT ON THE AMERICANS." FOR EXAMPLE, MFN - AND PERHAPS CREDITS - MAY FOUNDER ON FREE EMIGRATION. BACKLASH FROM THE OIL EMBARGO COULD FURTHER PREJUDICE THE CASE IN THE U.S. AGAINST EVEN PARTIAL RELIANCE ON SIBERIAN ENERGY. WATERGATE DEVELOPMENTS MAY CONTINUE TO RAISE DOUBTS. ANY SERIOUS PROBLEMS OVER BERLIN, CSCE, MBFR, OR INDOCHINA, FOR EXAMPLE, OR A NEW OUTBREAK OF TROUBLE IN THE MIDDLE EAST, WOULD PROBABLY YIELD FURTHER PROOF THAT THE U.S. WILL PURSUE ITS OWN VITAL INTERESTS REGARDLESS OF THE U.S.-SOVIET RELATIONSHIP. BREZHNEV AND HIS COLLABORATORS MAY HAVE TO EXTEND THEMSELVES IN ORDER TO CONVINCE DOUBTERS TO KEEP THEIR EYES ON THE LONG-TERM ADVANTAGES OF THE RELATIONSHIP WITH THE U.S. AND TO IGNORE THE SHORT-TERM DISAPPOINTMENTS.

3 THE MAJOR CHALLENGES FOR U.S. POLICY REMAIN TO CONVINCE THE SOVIETS (A) THAT IT IS BOTH FEASIBLE AND IN THEIR INTEREST TO CONTINUE TO PURSUE IMPROVEMENT IN U.S.-SOVIET RELATIONS, AND (B) THAT IT IS DANGEROUS AND COUNTER-PRODUCTIVE TO ATTEMPT TO TURN THE RELATIONSHIP AGAINST THE INTERESTS OF THE U.S. OR ITS FRIENDS AND ALLIES. END SUMMARY.

4. BREZHNEV'S DETENTE POLICY DEMONSTRABLY OFFERS SIGNIFICANT ADVANTAGES FOR THE USSR, WHICH IS PRESUMABLY WHY HE TOOK IT AS HIS POLITICAL PLATFORM AND WAS ABLE TO DEVELOP A CONSENSUS IN SUPPORT OF IT. CONFIDENTIAL

PAGE 03 STATE 244815

INPOLITICAL TERMS, IT PROVIDES SOME REASSURANCE AGAINST WHAT IS SEEN AS A LONG-TERM THREAT FROM CHINA, A MEANS OF INHIBITING THE INCIPIENT MOVEMENT TOWARD A SEPARATE EUROPEAN MILITARY ENTITY, AND A POSSIBILITY - UNDER THE AEGIS OF A HOPED-FOR U.S.-SOVIET CONDOMINIUM - OF EXPANDING SOVIET INFLUENCE TO THE SOUTH. IN TERMS OF DEVELOPING THE ECONOMIC BASIS OF SOVIET POWER, IT PROMISES TO HELP CLOSE THE TECHNOLOGICAL AND PRODUCTION GAP, TO CHANNEL INCREASING INCREMENTS OF RESOURCES TO CIVILIAN RATHER THAN MILITARY PRODUCTION TO THE SAME END, AND TO PERMIT EXPANDED RELIANCE ON FOREIGN FUNDING AND FOREIGN-MADE PRODUCTION FACILITIES TO HELP EASE DOMESTIC PRESSURE FOR CONSUMER GOODS. IN

MILITARY TERMS, IT PROMISES TO STABILIZE AND INSTITUTIONALIZE NUCLEAR PARITY.

5. NEVERTHELESS THE POLICY GIVES RISE TO QUESTIONING. HINTS BY USA INSTITUTE DIRECTOR ARBATOV, AMONG OTHERS, THAT THERE ARE SKEPTICS OF DETENTE IN THE SOVIET ESTABLISHMENT ARE, OF COURSE, SELF-SERVING: THEY BACK UP HIS SALES TALK THAT IF WE MISS THIS OPPORTUNITY FOR GOOD RELATIONS IT MAY BE A LONG TIME BEFORE WE GET ANOTHER CHANCE. BUT WE BELIEVE THAT THE FEW SIGNS AVAILABLE (SHELEST'S FALL, SUSLOV'S SPEECHES, THE PROPAGANDISTS' VEILED DISTASTE FOR BREZHNEV'S "VICTORY THROUGH CONTACTS" THEME) ARE SUFFICIENT, IN THIS CLOSED SOCIETY, TO CONCLUDE THAT OPINIONS ON DETENTE ARE INDEED VARIED. NO RESPONSIBLE SOVIET LEADER WOULD REJECT OUTRIGHT ALL THE FRUITS OF DETENTE. BUT WE FEEL CERTAIN THAT SOME LEADERSHIP ELEMENTS QUESTION THE PRICE TO BE PAID IN TERMS OF DOMESTIC CONTROL AND FOREIGN POLICY RESTRAINT. SOME PROBABLY QUESTION THE PACE OF CONCESSIONS (E.G. IN JEWISH EMIGRATION, JAMMING CESSATION). AND SOME UNDOUBTEDLY WANT TO SEE IMMEDIATE AND CONCRETE BENEFITS RATHER THAN MERE PROMISES FOR THE FUTURE.

6. BREZHNEV'S POSITION AT HOME SEEMS TO HAVE BEEN STRENGTHENED. A SHUFFLE IN THE POLITIBURO ADDED THREE BREZHNEV SUPPORTERS WITH LINES OUT TO IMPORTANT CONSTITUENCIES (PARTICULARLY THE MILITARY AND SECRET CONFIDENTIAL

PAGE 04 STATE 244815

POLICE) WHILE REMOVING TWO VOICES WHICH WERE OUT OF TUNE WITH BREZHNEV'S POLICIES. THE ECONOMY TOOK AN UPTURN, DUE LARGELY TO A RECORD WHEAT CROP (WHICH PARADOXICALLY MAY HAVE SAVED THE NECK OF POLYANSKIY, A BREZHNEV RIVAL). THE 1974 PLAN MAY BE REVISED UPWARD, AND KOSYGIN HAS HELD OUT HOPE OF AN IMPROVEMENT IN THE CONSUMER SECTOR NEXT YEAR. NEVERTHELESS, THE LONG-TERM ECONOMIC PROBLEMS REMAIN. AND THERE MAY BE DIFFICULT DECISIONS REGARDING JEWISH EMIGRATION, DISSENT AND FOREIGN CONTACTS. THESE DECISIONS COULD FIND "MODERNIZERS" IN THE LEADERSHIP LINED UP AGAINST CONSERVATIVES, WITH POSSIBLE CONSEQUENCES FOR DETENTE.

7. LOOKING ACROSS THE SPECTRUM OF FOREIGN POLICY ISSUES, THE SOVIETS CAN SEE AMPLE PROBLEMS IN THE YEAR AHEAD, VIRTUALLY ALL BEARING ON DETENTE:

A. THE U.S. GOOD RELATIONS WITH THE U.S. REMAIN AT THE CORE OF SOVIET FOREIGN POLICY. BUT THERE SEEMS LESS CONFIDENCE HERE ABOUT THE U.S.'S RELIABILITY AS A PARTNER. THIS IS NOT MERELY A FUNCTION OF THE MIDDLE EAST EVENTS. THE TRAVAIL OF MFN -- AND THE THREAT TO

CREDITS -- MUST BE CAUSING SOME SOVIET REAPPRAISAL OF THE RELATIVE STRENGTH OF THE EXECUTIVE BRANCH VIS-A-VIS CONGRESS. THE NEW NOTE OF ANXIETY -- BOTH AMONG OUR INTERLOCUTORS AND IN THE PRESS -- ABOUT THE FATE OF THE PRESIDENT AS WATERGATE REFUSES TO GO AWAY REFLECTS IN PART THEIR PERSONALIZATION OF DETENTE. THESE AND OTHER CONCERNS -- THE CONTINUING AGITATION WITHIN THE U.S. ABOUT HUMAN RIGHTS AND JEWISH EMIGRATION, THE BUDGETING OF NEW U.S. WEAPONS SYSTEMS, THE POSSIBILITY THAT THE ARAB OIL EMBARGO WILL TURN ALL AMERICAN ENERGY INVESTMENTS INWARD TO THE POINT OF SCOTCHING JOINT EFFORTS TO DEVELOP SIBERIAN GAS RESOURCES--MAY WELL FEED DOUBTS REGARDING THE DEGREE TO WHICH THE AMERICAN POWER STRUCTURE IS READY AND ABLE TO EMBARK ON A PERMANENT, NEW RELATIONSHIP WITH THE SOVIET UNION. GIVEN THESE FOREBODINGS, THERE MAY BE A GROWING TENDENCY BY SOME SOVIET LEADERS TO GIVE LITMUS-PAPER IMPORTANCE TO SUCH INDIVIDUAL FACTORS AS WHAT CONGRESS DECIDES ON CREDITS, NOW FAST CONCRETE
CONFIDENTIAL

PAGE 05 STATE 244815

ECONOMIC DEALS ARE CONSUMMATED AND HOW GRACEFULLY THE U.S. ACCEPTS A GREATER SOVIET POLITICAL ENGAGEMENT IN THE MIDDLE EAST.

B. FRG. THE ADMISSION OF THE TWO GERMANIES TO THE UN MARKED THE CLOSE OF A REMARKABLE PHASE IN FRG-USSR RELATIONS BEGINNING WITH THE BILATERAL TREATY OF 1970 AND SPANNING THE BERLIN AGREEMENT AND BREZHNEV'S VISIT TO BONN IN MAY 1973. THE NEXT PHASE MAY BE MARKED MORE BY PROBLEMS THAN BY PROGRESS. THE SOVIETS MAY FINALLY BE BEGINNING TO WORRY THAT -- AS WE NOTED IN OUR ASSESSMENT A YEAR AGO -- THEIR PRO-BRANDT POLICY HAS HELPED PLANT THE SEEDS OF GERMAN RESURGENCE IN EUROPE. THE HARDER SOVIET LINE OVER LEGAL ASSISTANCE AND OTHER BERLIN-RELATED ISSUES MAY NOT BE SOLELY A PRODUCT OF GDR PRESSURE, BUT MAY ALSO REFLECT SOVIET CONCERN TO KEEP THE FRG IN ITS PLACE. MOSCOW PROBABLY PREFERS CONTINUED GDR-FRG ESTRANGEMENT, AND DOES NOT MIND SEEING BERLIN REMAIN A BONE OF CONTENTION BETWEEN THEM SO LONG AS FOUR-POWER CONFRONTATIONS ARE AVOIDED. THE SOVIET EFFORT TO INCLUDE FRG FORCES IN THE FIRST STAGE OF MBFR IS A REMINDER OF THE CONTINUED SOVIET PRE-OCCUPATION OVER BONN'S MILITARY STRENGTH -- A PREOCCUPATION WHICH WOULD CERTAINLY GROW IN PROPORTION TO BONN'S INCREASING INTEREST IN WEST EUROPEAN DEFENSE COOPERATION.

C. JAPAN. THE TANAKA VISIT TO MOSCOW WAS A MAJOR STEP FORWARD FOR BOTH COUNTRIES. BUT IT ALSO REVEALED THE DEPTH OF THEIR DISAGREEMENT ON THE NORTHERN TERRITORIES. SOVIET OBSESSION WITH THE IMPORTANCE OF STATE FRONTIERS

(APPARENT ALSO IN THEIR CSCE EMPHASIS ON INVIOABILITY OF FRONTIERS) WILL MAKE COMPROMISE ON THE NORTHERN TERRITORIES DIFFICULT FOR MOSCOW. SO ALSO WILL THE DANGEROUS PRECEDENT WHICH RETURN OF THE ISLANDS WOULD SET FOR MOSCOW'S BORDER PROBLEMS WITH PEKING.

D. THE EC. GIVEN THE INITIAL EC REACTION TO CEMA'S PROBES AND THE INHERENT WEAKNESS OF THE CEMA MECHANISM, SOVIET EFFORTS TO ACHIEVE A RELATIONSHIP BETWEEN THE TWO ECONOMIC BLOCS SEEM UNLIKELY TO MOVE VERY FAST OR GET CONFIDENTIAL

PAGE 06 STATE 244815

VERY FAR. MOREOVER, SOVIET ENDORSEMENT OF THE ARABS' USE OF THE OIL WEAPON AGAINST EUROPE COULD HAVE ADVERSE EFFECTS ON SOVIET RELATIONS WITH A NUMBER OF EUROPEAN COUNTRIES, NOT TO MENTION JAPAN.

E. MBFR. IT IS STILL DIFFICULT TO ASSESS THE ROLE THE VIENNA TALKS PLAY IN SOVIET POLICY. WE ARE INCLINED TO BELIEVE THAT THE SOVIETS ARE INTERESTED IN MBFR PRIMARILY AS A DEVICE TO EASE THE U.S. OUT OF EUROPE GRADUALLY, WITHOUT THE SHOCK OF A MANSFIELD UNILATERAL WITHDRAWAL, WHICH MIGHT STIMULATE THE EMERGENCE OF A EUROPEAN DEFENSE COMMUNITY. ADDITIONALLY, THEY SEE ANY REDUCTIONS OF INDIGENOUS TROOPS -- E.G. WEST GERMANS FOR CZECHS -- AS A DOUBLE GAIN FOR THE USSR.

F. CSCE. MUCH OF THE BLOOM IS OFF CSCE FOR THE SOVIETS, WHO NOW FIND THEMSELVES ON THE DEFENSIVE AND REDUCED TO DAMAGE-LIMITING IN GENEVA. BUT IT WOULD TAKE DESPERATION CAUSED BY WEST EUROPEAN INTRANSIGENCE ON BASKET THREE TO CAUSE THEM TO DISOWN THE CONFERENCE ALTOGETHER. THEIR OPTIMUM OBJECTIVE WILL BE TO GENERATE AS MUCH EUPHORIA AS POSSIBLE, HOPEFULLY WITH A CONCLUDING SUMMIT WHICH WILL ADOPT FINAL DOCUMENTS CONFIRMING THE SOVIET VIEW OF THE STATUS QUO AND MAKING A BOW TO WESTERN DESIDERATA SO AS TO FEED THE EUPHORIA.

G. HUMAN RIGHTS AND CONTACTS. THE PROCESS OF DETENTE HAS THRUST HUMANITARIAN ISSUES INTO THE FOREFRONT OF SOVIET MULTILATERAL AND BILATERAL RELATIONS WITH THE WEST AND JAPAN. THE SOVIETS ARE HAVING TO COPE WITH A WHOLE NEW RANGE OF PROBLEMS: BASKET THREE AT CSCE, FAMILY REUNIFICATION QUESTIONS, JEWISH EMIGRATION, THE WORLDWIDE CONSTITUENCY OF DISSIDENTS SUCH AS SAKHAROV. DETENTE ITSELF DEPENDS PARTLY ON HOW THE SOVIETS HANDLE THESE QUESTIONS. THE SOVIET DILEMMA -- HOW TO RECONCILE WESTERN DEMANDS IN THOSE FIELDS WITH THE PRESERVATION OF A TIGHT INTERNAL SECURITY SYSTEM-- IS BOUND TO INCREASE AS DETENTE PROCEEDS FROM ATMO-SPHERICS TO SPECIFIC COOPERATION. THIS IS A VITAL ISSUE FOR THE SOVIET SECURITY APPARATUS AND THEREFORE

HIGHLY VOLITALE IN ITS POTENTIAL FOR DIVIDING THE
CONFIDENTIAL

PAGE 07 STATE 244815

SOVIET LEADERSHIP.

8. BREZHNEV'S GROWING PERSONAL CULT IS DEEPLY ROOTED IN DETENTE, AND HE PERSONALLY SEEMS FULLY COMMITTED TO IMPROVED RELATIONS WITH THE WEST. NEVERTHELESS HE CONTINUES TO ADD OTHER STRINGS TO HIS BOW. HE TRAVELLED TO NON-ALIGNED INDIAN FOR A VISIT THAT WAS HEAVILY PUBLICIZED IN THE SOVIET PRESS. HE CONTINUED TO DOMINATE RELATIONS WITH OTHER COMMUNIST LEADERS. HE IS SCHEDULED TO VISIT CUBA LATER THIS MONTH WHERE HE CAN REAFFIRM SOVIET INTERESTS IN THE SOCIALIST AND NON-ALIGNED WORLD (AND, IF HE CHOOSES, ASSERT THEM SPECIFICALLY IN LATIN AMERICA). AND DURING THE SECRETARY'S VISIT IN THE MIDDLE EAST CRISIS HE HEADED THE SOVIET NEGOTIATING TEAM, SHUTTING OUT BOTH KOSYGIN AND PODGORNYY, WHO HAVE PLAYED MIDDLE EAST ROLES IN THE PAST. BREZHNEV APPARENTLY WISHES TO SHOW THAT HE IS NOT A ONE-ISSE LEADER. HE MAY BRANCH OUT FURTHER IN 1974. VISITS TO THE MIDDEL EAST, TO EAST ASIA (TO PLUMP FOR THE SOVIET ASIAN SECURITY IDEA), AND TO SOME THIRD WORLD CAPITALS SEEM POSSIBLE.

8. APART FROM THE RELATIONSHIP WITH THE WEST, OTHER MAJOR AREAS OF SOVIET CONCERN IN THE COMING YEAR INCLUDE THE FOLLOWING:

A. COMMUNIST MOVEMENT, TWO RELATED ISSUES ARE CHINA AND THE PROBLEM OF COORDINATING COMMUNIST ACITIVITY. THOUGH EXPRESSED IDEOLOGICALLY, THESE ARE NATIONAL ISSUES OF THE UTMOST PRIORITY TO THE SOVIET UNION, RELATED TO SOVIET SECURITY IN THE EAST AND TO SOVIET HEGEMONY OVER ITS NEIGHBORS TO THE WEST. THE SOVIETS SEE AN INTER-NATIONAL COMMUNIST CONFERENCE AS ONE WAY OF DEALING WITH BOTH ISSUES. THE CURRENT SOVIET APPROACH TO CHINA IS TO ATTACK THE PRC'S PUBLIC STANCE WHERE IT IS VULNERABLE (CHILE, THE ME) AND TO ESTABLISH A RECORD OF SOVIET REASONABLENESS (THE SOVIET OFFER OF NON-AGGRESSION AND NON-USEAOF-FORCE TREATIES AND THE SOVIET RIVER BORDER PROPOSAL). IT IS NOT CLEAR AT THIS POINT HOW TREATMENT OF CHINA AT A COMMUNIST CONFERENCE CAN BE RECONCILED WITH THE WIDESPREAD PARTICIPATION THE SOVIETS
CONFIDENTIAL

PAGE 08 STATE 244815

WOULD HOPE TO ATTRACT, MOSCOW WILL BE TAKING SOUNDINGS FROM REGIONAL SEMI-FINAL COMMUNIST MEETINGS (A WESTERN EUROPEAN MEETING IS SCHEDULED FOR JANUARY) AND POSSIBLY FROM A WARSAW PACT SUMMIT. AN ALL-EUROPEAN

COMMUNIST MEETING MAY BE IN THE CARDS.

B. ZPROGRESSIVE- MOVEMENTS. THE SOVIETS HAVE CLEARLY BEEN STUNG BY THE ARGUMENT--HEARD, FOR EXAMPLE, AT THE ALGIERS NON-ALIGNED CONFERENCE-- THAT THEY ARE JUST ANOTHER RICH NATION AND THAT THEIR PURSUIT OF DETENTE IS INCOMPATIBLE WITH THEIR CLAIM TO PROGRESS-IVISM. RHETORIC ASIDE, HOWEVER, WE WOULD EXPECT THEM TO TAKE ACTIONS TO COUNTER SUCH CHARGES ONLY WHERE THERE IS LITTLE RISK TO THEIR FAR GREATER INTEREST IN DETENTE. THEIR RECOGNITION OF GUINEA-BUSSAU AND THEIR SUSPENSION OF RELATIONS WITH THE CHILEAN JUNTA SPRANG FROM CONCERN ABOUT THEIR PROGRESSIVE CREDENTIALS. BUT ON TOUCHIER ISSUES--LIKE CAMBODIA AND THE PALESTINIAN PROBLEM-- THEIR SUPPORT FOR "NATIONAL LIBERATION" IS LIKELY TO BE TEMPRED BY BROADER CONSIDERATIONS.

C. MIDDLE EAST. SOVIET VEHAVIOR DURING THE ME CRISIS BROUGHT HOME THE IMPORTANCE OF THE AREA TO MOSCOW. ITS GEOGRAPHICAL POSITION CLOSE TO SOVIET BORDERS AND ASTRIDE THE MILITARY AND COMMERCIAL SEA ROUTE TO THE FAR EAST, THE POTENTIAL IT PROVIDES FOR MEDDLING WITH US AND WESTERN EUROPEAN INTERESTAN AND THE LARGE SOVIET POLITICAL, MILITARY, AND ECONOMIC INVESTMENT IN THE REGION HAVE BEEN TRADITIONAL EXPLANATIONS OF SOVIET INTEREST IN THE AREA, THESE FACTORS HAVE NOW BEEN REINFORCED BY MOSCOW'S PERCEPTION OF THE ME, DURING THE CURRENT CRISIS, AS A TESTING GROUND FOR ITS GREAT PWOER CREDENTIALS. THIS IS A POWERFUL COMBINATION OF IMPREACTIVES, AND WE SHOULD ASSUME THAT THE SOVIET UNION WILL AGAIN TAKE MAJOR RISKS IF THEY SEEM NECESSARY FOR THE PROTECTION AND ADVANCEMENT OF SOVIET OJECTIVES IN THE MIDDLE EAST. MOWCOW MAY BE MORE SUSCEPTIBLE TO MODERATING ITS BEHAVIOR IN THE MIDDLE EAST IF IT IS CONFIDENT THAT THE US IS NOT TRYING TO DENY IT A MJOR ROLE IN POLITICAL ARRANGMENTS

CONFIDENTIAL

PAGE 09 STATE 244815

IN THE AREA, BUT THE RAMIFICATIONS--BOTH GLOBAL AND REGIONAL -- OF SUCH AN IMPLICIT IMPLEMENTATION OF A GREAT POWER "CONDOMINIUM"NEED TO BE STUDIED.

9. SOVIET ACTIONS IN THE ME LEAD TO A FINAL AND DISTURBING CONCLUSION ABOUT FUTURE SOVIET BEHAVOIR IN CONFRONTATION SITUATIONS, WE BELIEVE IT LIKELY, NOW THAT THE SOVIET UNION HAS ATTAINED VIRTUAL STRATEGIC PARITY WITH THE US, THAT SOME ELEMENTS IN THE LEADERSHIP ARE ALREADY, PERHAPS PREMATURELY, DEMANDING CONCRETE POLITICAL BENEFITS FROM THE IMPROVED STRATEGIC SITUATION, AT A MINIMUM THERE WILL PROBABLY BE A DIMINISHING SOVIET INCLINATION OT ACCEPT THAT CONFRON-

TATIONS SHOULD ALWAYS RESULT IN MOSCOW'S BLINKING. IT IS OBVIOUSLY BEYOND OUR CAPACITY TO KNOW TO WHAT EXTENT THIS SORT OF THINKING IS BEGINNING TO CRYSTALLIZE WITHIN THE POLITBURO, BUT WE SUSPECT THAT, WHILE THE SOVIET LEADERSHIP WILL BE NO LESS ANXIOUS TO AVOID CONFRONTATION SITUATIONS, IT MAY BE INCREASINGLY LESS WILLING TO BACK DOWN IF IT FINDS ITSELF IN ONE.

10. WE HAVE FOCUSED IN THIS ASSESSMENT MORE ON THE NEGATIVE POSSIBILITIES FOR THE FUTURE THAN ON THE POSITIVE ONES BECAUSE THE LATTER ARE WELL UNDERSTOOD. WE CONTINUE TO BELIEVE THAT THE BREZHNEV LEADERSHIP IS COMMITTED TO DEVELOPING LONG-TERM GOOD RELATIONS WITH THE US AND THAT THE PROSPECTS FOR A MUTUALLY USEFUL RELATIONSHIP ARE BETTER NOW THAN AT ANY TIME SINCE WORLD WAR II. THE US SHOULD EXPLOIT THE OPPORTUNITY TO THE UTMOST, BECAUSE THERE ARE GREAT ADVANTAGES IN DETENTE ALSO FOR THE AMERICAN SIDE, NOTABLY NUCLEAR STABILIZATION AND THE PROMOTION OF SOVIET INWARD DEVELOPMENT AS AN ALTERNATIVE TO EXPANSIONISM. BUT WE CANNOT COUNT ON THE INEVITABILITY OR IRREVERSIBILITY OF DETENTE, AND THE TENDENCY OF SOME ELEMENTS IN THE SOVIET ESTABLISHMENT--A TENDENCY WHICH IS NOT ALIEN TO BREZHNEV'S OWN PERSONALITY AND POLITICAL UPBRINGING--TO VIEW US-SOVIET COOPERATION AS AN OPPORTUNITY TO IMPOSE THE COMMON DENOMINATOR OF OUR WILLS ON THE REST OF THE WORLD MUST OF COURSE BE COMBATTED. SOMETIMES THIS MAY
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PAGE 10 STATE 244815

REQUIRE STRONG MEDICINE, AS IN OCTOBER, BUT WE SHOULD KEEP IN MIND THAT THE SOVIET LEADERSHIP IS NOT MONOLITHIC, AND WE SHOULD THEREFORE ADMINISTER BOTH STRONG MEDICINE AND ELIXIRS IN SUCH A WAY AS TO KEEP THE LESS FIRE-EATING ELEMENTS OF THE SOVIET HIERARCHY IN GOOD HEALTH.

11. AMONG THE CHALLENGES POSED FOR US POLICY BY THE PREDISPOSITION IN THE KREMLIN TOWARD GOOD RELATIONS WITH WASHINGTON THE FOLLOWING DESERVE EMPHASIS:

A. WE NEED TO FIND WAYS TO REINFORCE SOVIET INTEREST IN THE RELATIONSHIP BY CONSOLIDATING BILATERAL STEPS ALREADY TAKEN AND MOVING AHEAD TO BUILD UP THE VESTED INTEREST IN STABILITY AND COOPERATION. BY FOCUSING ON THE MUTUAL EXPLOITATION OF NON-RENEWABLE SOVIET RAW MATERIALS -- OIL, GAS, NICKEL, COPPER AND OTHER EXTRACTABLES, AS WELL AS TIMBER AND OTHER RESOURCES--WE COULD BOTH RESPOND TO SOVIET EXPRESSIONS OF INTEREST AND HELP MEET THE GROWING NEEDS OF THE US ECONOMY, IN OUR OWN INTERESTS THE US SHOULD MOVE AHEAD TO OBTAIN APPROPRIATE LONG-TERM COMMITMENTS

BEFORE THE RISING WORLD DEMAND FOR RAW MATERIALS
ERODES SOVIET RECEPTIVITY. (THIS ASSUMES THAT SUCH
ARRANGEMENTS WOULD NOT ACCOUNT FOR A SUFFICIENTLY HIGH
PROPORTION OF US CONSUMPTION AS TO GIVE THE SOVIETS
A SIGNIFICANT STRATEGIC OR POLITICAL STRANGLEHOLD.)

B. WE FACE A SIMILAR, BUT MORE DIFFICULT, CHALLENGE
ON THE INTERNATIONAL SCENE. IN ADDITION OT THE
OPPORTUNITIES WHICH WE ARE CAREFULLY WEIGHING IN ON-
GOING SECURITY NEGOTIATIONS SUCH AS SALT AND MBFR,
OTHER POSSIBILITIES SHOULD BE STUDIED FOR REINFORCING
AND EXPANDING THE APPLICATION OF MUTUAL RESTRAINT TO
CONCRETE SITUATIONS. EMBARGO OR RESTRAINT OF ARMS
SHIPMENTS TO THE MIDDLE EAST IS ONE POSSIBILITY. WE
MIGHT ALSO, FOR EXAMPLE, TAKE ANOTHER LOOK AT THE QUESTION
OF RESTRAINING SUPER-POWER PRESENCE IN THE INDIAN
OCEAN. ABOVE ALL, HOWEVER, IT MUST CONTNUE TO BE
MADE CLEAR TO MOSCOW THAT IT IS DANGEROUS AND
COUNTERPRODUCTIVE TO ATTEMPT TO TURN THE US-SOVIET
CONFIDENTIAL

PAGE 11 STATE 244815

RELATIONSHIP AGAINST THE INTERTS OF THE US OR OF ANY
THIRD COUNTRY. DUBS. UNQUOTE RUSH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 10 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DETENTE, FOREIGN RELATIONS, FOREIGN POLICY POSITION, ANNUAL REPORTS, INTERGOVERNMENTAL COOPERATION, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 14 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE244815
Document Source: ADS
Document Unique ID: 00
Drafter:
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731257/abqcekgr.tel
Line Count: 460
Locator: TEXT ON-LINE
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 9
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 26 JUL 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26-Jul-2001 by shawdg>; APPROVED <15-Oct-2001 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: YEAR-END ASSESSMENT OF SOVIET POLICY
TAGS: PFOR, PINT, UR, US
To: NEW DELHI
KATHMANDU
COLOMBO
ISLAMABAD
DACCA
KABUL

MUNICH

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005